



## Executive Council

Ninety-third session  
Madrid, Spain, 11-13 June 2012  
Provisional agenda item 5(e)

CE/93/5(e)  
Madrid, 28 May 2012  
Original: English

### Administrative and statutory matters

#### **(e) Joint report by the Programme Committee and the Committee on Budget and Finance Part II (Budget and Finance)**

##### **I. Introduction**

---

1. The Committee on Budget and Finance (CBF) held its fifty-fifth meeting at the Organization's Headquarters in Madrid on 21 and 22 May 2012, under the chairmanship of Argentina, represented by Ms. Maya Gonzalez Bender. Delegations of the following Members participated in this meeting of the Committee: Bulgaria, Islamic Republic of Iran, Kenya, Lebanon, Malaysia, Slovakia and South Africa. Also in attendance were the representatives of Affiliate Members Cámara Argentina de Turismo and ABTA. Furthermore, the Head of the External Audit Team provided by Spain and an Inspector from the Finance Ministry attended the meeting.
2. The Annex to this document contains the list of participants in the fifty-fifth meeting of the joint Committee on Programme and Budget and Finance<sup>1</sup>.
3. As the session was held jointly with the 40<sup>th</sup> meeting of the Programme Committee, it was also attended by the following Members: Benin, Indonesia and Spain as observers, Associate Member the Flemish Community of Belgium, and the Affiliate Members ABTA, Cámara Argentina de Turismo and Centro Español de nuevas profesiones.
4. On the part of the Secretariat, the Secretary-General, the Executive Director of Programme and Coordination, the Director of the Administration, and the coordinators of Programme, Finance and IPSAS also attended the session.
5. The Committee considered the following documents, which will be submitted to the Executive Council at its ninety-third session (11-13 June 2012):

---

<sup>1</sup> The list of participants of the Programme Committee is attached to document CE/93/4(c)



**Documents**

|  |                  |
|--|------------------|
| Adoption of the Agenda   | CBF/55/1 prov.AG |
| Auditors' report and administrative accounts for the financial year 2011                                   | CE/93/5(a)       |
| Financial situation and plan of expenditure for 2012   | CE/93/5(b)       |
| Progress report on the implementation of International Public Sector Financial Standards (IPSAS)           | CE/93/5(b) Add.1 |
| Human resource situation   | CE/93/5(c)       |
| Application of Article 34 of the Statutes and paragraph 13 of the Financial Rules attached to the Statutes | CE/93/5(d)       |
| Place and dates of the first meeting of the Programme & Budget Committee                                   | n.a.             |

**II. Auditors' report and administrative accounts for the financial year 2011 (document CE/93/5(a))**

6. The Committee heard the presentation of the report by the Spanish External Auditor prepared in cooperation with the External Auditor from India concerning the accounts for the financial year 2011. It noted the remarks contained in the report, in particular that it was a favourable audit report.

7. The Committee took note of the explanations given by the Secretariat regarding the accounts for the financial year of 2011, which have been closed. The Secretariat informed the Committee of the budgetary results for 2011, pointing out that thanks to the level of budgetary income received, including income from the payment of contribution arrears, it had been possible to execute 96% of the approved budget and to achieve a full balance between income and expenditure.

8. The Committee agreed to the transfers of appropriations between parts of budget and between sections of the same part of the budget, made by the Secretary-General at the close of the accounts for 2011 with the prior respective authorization of the Chairman of the Executive Council and the Chairman of the Committee on Budget and Finance in accordance with Financial Regulation 5.3(a) and 5.3(b) and Council decision 6(LIII). It recommended the Executive Council to approve the aforementioned transfers.

9. Noting that the accounting procedures and records, as well as the financial transactions for the year, were in accordance with the Financial Regulations and other applicable directives, the Committee recommended the Executive Council to authorize the accounts.

10. It further recommended the Council to endorse the appeal made by the Auditors to all Members to pay their contributions to the budget within the time limits prescribed in Financial Regulation 7(2).

11. The Committee expressed its gratitude to the External Auditors (India and Spain) for their excellent work.

### III. Financial situation and plan of expenditure for 2012 (documents CE/93/5(b) and Add.1)

---

12. The Committee took note of document CE/93/5(b) and its Add.1, which provides information as of 31 March 2012 and on progress achieved on the implementation IPSAS. The Committee noted with satisfaction that, as of the end of March, the level of contributions collected for the current year had risen to EUR6,309,912.94. This represents 53 per cent (similar percentage to the last two years on the same date) of the total amount of contributions payable by Members in 2012 (EUR11,888,727.22) and 60 per cent of the estimated income from contributions (EUR10,452,000) so that income targets are expected to be met by year end. After the addition of allocations from sundry income and publications the total budgetary income received amounts to EUR7,756,912.94 representing 64 per cent of the income estimates for the year (EUR12,137,000)

13. The Committee took note that arrears of Members' contributions collected as of 31 March 2012 were 70 per cent of the forecast amount (EUR800,000).

14. The Committee also took note that the implemented expenditure amounts to EUR11,059,483.71 out of which EUR2,866,507.77 have already been disbursed, furthermore EUR8,192.975.94 are already committed until year end, staff costs included.

15. The Committee noted that the contributions received for the current year would enable the Secretary-General to finalize implementation of the expenditure plan proposed for 2012 and maintain a balance between income and expenditure in accordance with the mandate recommendation of the nineteenth session of the General Assembly.

16. The Committee noted that a new salary scale applicable to staff of the professional and higher categories was adopted effective 1 January 2012, in accordance with the applicable provisions of the Staff Regulations and Rules. This scale represents no additional cost to the Organization because it is the result of adjusting upward by 0.13 per cent the base salary of this staff category while reducing by the same percentage the post adjustment, so that the overall remuneration (base salary plus post adjustment) remains unchanged.

17. The Committee expressed its gratification at the sound budgetary and financial situation of the Organization and the criteria followed by the Secretariat in its financial management, although the increasing budgetary pressures due to the zero nominal growth policy already followed for a period of 4 years and extended in 2012-2013 was noted to be limiting the Organization's ability to carry out its program of work, in particular by requiring an unusually high level of vacancies and by crowding out non-staff costs.

18. The Committee took note of the progress report on the implementation of the IPSAS standards and of the special recognition to the work done along 2011 in the implementation of IPSAS given by the External Auditors, supports the first draft amended Detailed Financial Rules (DFR) necessary for their adaptation as proposed by the Secretary-General, and recommends the Executive Council to approve the amendments proposed on the Replacement Reserve under DFR 6.22-6.24.

19. The Committee also noted with satisfaction the request of Myanmar to rejoin the Organization.

#### **IV. Human resource situation (document CE/93/5(c))**

---

20. The Committee appreciated the information provided on the human resources situation of the Organization and welcomed that it was informed on the internal structure of the Secretariat and on staff situation of the human resources of the Organization.

21. The Committee also appreciated that, following the recommendation of the Executive Council at its 91st session, the Secretary-General has made the amended provisions of Rule 15(2) extensive to staff members in service as of 1st January 2012. Furthermore, it noted with satisfaction that the professional growth plan for staff members had already been introduced.

#### **V. Application of Article 34 of the Statutes and paragraph 13 of the Financing Rules attached to the Statutes (document CE/93/5(d))**

---

22. The Committee observed that the provisions of paragraph 13 of the Financing Rules attached to the Statutes were applied to two Full Members and one Associate Member, while Article 34 of the Statutes to nineteen Members as of 31 March 2012.

23. It recommended the Executive Council to again urge all Members in arrears to discharge their debts to the Organization as soon as possible and noted that the total arrears of the Full Members to which the aforementioned provisions are applied amount to EUR6,896,773.97, and EUR433,379.92 among the Affiliate Members, while the total arrears owed to the Organization by the Full and Associate Members, as of 31 March 2012, amount to EUR12,947,866.21 and, in the case of the Affiliate Members, EUR618,484.95.

24. The Committee took note with satisfaction that the Full Member Cambodia had scrupulously complied with the commitments acquired with regard to the payment of its contributions up to and including the current year. Furthermore, the Committee was informed that Bolivia had also complied with its payment plan for 2012 and Peru had settled its arrear contributions in full thus cancelling its payment plan. Both settlements were received after 31 March 2012 and will be included in the Addendum to document CE/93/5(d).

#### **VI. Place and date of the first meeting of the Program and Budget Committee**

---

25. The two Committees proposed to hold the first PBC meeting at UNWTO headquarters in Madrid. The date will be proposed by the Secretariat once the meeting of the fall session of the Executive Council is set.

**CBF/55/LIST.PART.PROV**  
**MADRID, mayo de 2012**

**COMITÉ DE PRESUPUESTO Y FINANZAS**  
**COMMITTEE ON BUDGET AND FINANCE**  
**COMITÉ DU BUDGET ET DE FINANCES**

Quincuagésimo-quinta reunión / Fifty-fifth meeting / Cinquante-cinquième réunion

**LISTA DE PARTICIPANTES**  
**LIST OF PARTICIPANTS**  
**LISTE DES PARTICIPANTS**

**I. PRESIDENTE/CHAIRMAN/PRÉSIDENT**

ARGENTINA  
 ARGENTINE

Sra. Dña. Maya González Bender  
 Directora de Relaciones Internacionales e  
 Institucionales  
 Ministerio de Turismo  
 Buenos Aires

**II. MIEMBROS/MEMBERS/MEMBRES**

BULGARIA  
 BULGARIE  
 BULGARIA

Sra. Dña. Tatyana Doncheva  
 Primera Secretaria  
 Embajada de Bulgaria en Madrid

Mr. Stanislav Novakov  
 Chairman  
 European Institute for Tourism  
 Sofia

ESLOVAQUIA  
 SLOVAKIA  
 SLOVAQUIE

Mr. Stanislav Rusinko  
 Director General of the Tourism Section  
 Ministry of Transport, Construction and  
 Regional Development  
 Bratislava

|  |  |
|--|--|
| KENYA  | Ms. Stella Amadi<br>Principal Tourism Officer<br>Ministry of Tourism<br>Nairobi  |
|  | Ms. Victoria Chepkorir<br>Third Secretary<br>Embajada de Kenya   |
| LÍBANO<br>LIBAN<br>LEBANON   | Mr. Wissam Kalakeche<br>Chargé d'Affaires a.i.<br>Embassy of Lebanon<br>Madrid   |
| MALASIA/MALAYSIA/MALAISIE  | Datuk Dr. Victor WEE<br>Chairman<br>Malaysia Tourism Promotion Board<br>Kuala Lumpur   |
|  | Mr. Chek Zainuddin bin Chek Jusoh<br>Senior Principal Assistant Secretary<br>Infrastructure Division<br>Ministry of Tourism<br>Putrajaya |
| REPÚBLICA ISLÁMICA DEL IRAN<br>ISLAMIC REPUBLIC OF IRAN<br>RÉPUBLIQUE ISLAMIQUE D'IRAN | Mr. Seyed Saeid Reza Tofghi<br>Economic & Commercial Counsellor<br>Embassy of the Islamic Republic of Iran in<br>Madrid                  |
| SUDÁFRICA<br>SOUTH AFRICA<br>AFRIQUE DU SUD  | H.E. Ms. Fikile Sylvia Magubane<br>Ambassador<br>Embassy of South Africa in Madrid   |
|  | Mr. Myron Peter<br>Chief Director Americas and Caribbean<br>Department of Tourism<br>Pretoria  |
|  | Ms. Benedicta Mogaladi<br>Director Financial Management<br>Department of Tourism<br>Pretoria   |

- III. **REPRESENTANTES DE LOS MIEMBROS AFILIADOS/ REPRESENTATIVES OF THE AFFILIATE MEMBERS/ REPRESENTANT DES MEMBRES AFFILIÉS**
- Sr. D. Jordi Busquets  
Delegado Alterno de la Cámara Argentina de Turismo ante la OMT
- Ms. Nicola White  
Head of Destinations & Sustainability at ABTA
- IV. **INTERVENTORES DE CUENTAS/ AUDITORS / COMMISSAIRES AUX COMPTES**
- Sr. D. Manuel Toledano Torres  
Interventor de Cuentas  
Intervención General de la Administración del Estado
- V. **OBSERVADOR / OBSERVER / OBSERVATEUR**
- Sra. Dña. Carmen Iturriaga  
Inspectora de Servicios Ministerio de Hacienda y Administraciones Públicas  
Madrid
- Sr. D. Ignacio Ducasse Gutiérrez  
Jefe de Área de Relaciones Internacionales  
Secretaría de Estado de Turismo  
Madrid